

# **Development Impact Fee Determination and Schedule**

## **Background**

The Mid-City Communities Plan Area is almost fully developed. Thus, the majority of the required public improvements will have to be provided through special funding mechanisms, other than DIF. In 1987, staff developed and recommended impact fees for 28 urbanized communities. The City Council adopted the recommended fees, including those for the Mid-City Community Plan Area, to mitigate the impact of development on public facilities. Since the community is near build-out, the fees will provide only a small portion of the financing needed for the facilities.

As indicated previously, the San Diego Municipal Code established Park Fee will be reviewed in conjunction with Community Plan and PFFP.

## **Distribution of Project Costs and Fee Determination**

Development of the actual DIF to be imposed is based on the extent or degree to which each type of development generates a demand for, or receives benefit from the various existing public facilities. For example, all development generates vehicular traffic and thus, on an equitable basis, should share in the cost of transportation projects.

Development Impact Fees were determined for the various categories of needed public facilities on the basis of total amount of development at Community Plan build-out and on the basis of additional public facilities needed at Community Plan build-out. The Impact Fee base includes all projects needs except those identified as subdivider funded or those adjacent to existing development. The fee also includes a 2% charge to cover City administrative costs.

## **Transportation**

There is a clear relationship between the use of transportation facilities and the generation of vehicular trips based upon land use. In the report "San Diego Traffic Generators," authored by CALTRANS and SANDAG, the traffic trips generated by various classes of use are detailed. This report summarizes data collected at major regional traffic generators as well as neighborhood and local traffic generators in the San Diego area. Traffic counts taken at each facility are related to various characteristics of the facility such as to size, type of use, number of employees, floor area, parking spaces, or number of persons. The report distinguishes between the average daily trips (ADTs) generated by a single-family dwelling and a multi-family dwelling. For Impact Fee purposes, a single type of residential development is assumed for Mid-City (and all other urbanized

communities). The residential portion of the impact fee reflects an average daily trip (ADT) factor of seven as a basis for determining the Impact Fee. A considerable range has been found for traffic generation for non-residential developments depending on the character and use of the property. Non-residential land-uses typically generate between 100 to 900 average daily trips per acre. For non-residential development in the Mid-City Communities, average daily trips were used.

Using the approved land use intensity and trip generation rates, the total number of trips remaining at community plan build-out is estimated to be 110,000. An analysis of the DIF eligible street improvements required at community build-out (estimated costs in FY 1999 dollars) totaling \$60,339,800 indicates the cost per average daily trip for transportation facilities, including administrative costs, is \$75 per trip and \$525 ( $\$75 \times 7$ ) per dwelling unit. This will be paid by all future development. The fee per dwelling unit was calculated using the average daily trip rate factor of seven, as previously explained.

### **Fire Facilities**

The Fire Station portion of the fee relates to the cost of providing facilities to adequately provide fire protection services to both residential and non-residential development within the community. Residential Impact Fees are based on the average cost per dwelling unit. The average cost per 1,000 square feet of gross building area is used to determine fees for non-residential development.

The Fire Department has identified three fire stations servicing the Mid-City area as needing renovation/reconstruction. Each station, in addition to serving Mid-City, also provides protection to adjacent communities. Thus, only a portion of each station cost can be fairly allocated to Mid-City. As previously discussed, all development benefits from fire protection and thus is expected to participate in the fire portion of the DIF.

The previously approved DIF of \$5 per 1,000 square feet of gross building area and \$10 per dwelling unit will be used to provide funding for fire stations needing renovation/reconstruction.

### **Libraries**

Library needs are based on population which is derived from the number of dwelling units estimated at build-out. Therefore, only residential developments are charged a DIF for a library.

Based upon General Plan standards and a forecast of total population in Mid-City at build-out, it was determined that two 15,000 square foot

facilities will be required within the Normal Heights/City Heights area and within the Eastern Area.

The community is considered 98 percent built-out, with 3,318 remaining dwelling units. An analysis of the DIF eligible library facilities required at community build-out (estimated costs in FY 1999 dollars) totaling \$9,725,000 indicates a cost per dwelling unit, including administrative costs, is \$60.

### **Park and Recreation**

Park and recreation needs are based on population derived from the number of dwelling units in the community. The Park and Recreation Department has identified a number of projects needed in the Mid-City Community at build-out.

The community is considered 98 percent built-out, with 3,318 remaining dwelling units. An analysis of the DIF eligible park improvements required at community build-out (estimated costs in FY 1999 dollars) totaling \$296,330,000 indicates a cost per dwelling unit, including administrative costs, is \$1,822.

### **General Assumptions and Conditions**

1. Developers will be required to provide facilities normally provided within the Subdivision Process as a condition of subdivision approval, including traffic signals.
2. Abutting property owners are responsible for frontage improvements such as sidewalks, curbs and gutters.
3. The Development Impact Fee will be paid by the developer at the time of building permit issuance.
4. Development Impact Fee funds collected will be placed in a trust account with interest earnings accumulated for use in the community planning area.
5. A developer or group of developers can propose to build or improve a specific facility identified in the Public Facilities Financing Plan and, upon City Council approval, enter into an agreement to provide the facility, pursuant to Council Policy 800-12.
6. The Development Impact Fee would supplement "Park Fees" collected pursuant to the San Diego Municipal Code.

**Development Impact Fee Schedule**

<b>Residential Property</b>	<b>Non-Residential Property</b>
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<b>Trans/ DU</b>	<b>Fire/ DU</b>	<b>Park/ DU</b>	<b>Library/ DU</b>	<b>Total/ DU</b>		<b>Trans/ ADT</b>	<b>Fire/ 1000 sf.</b>
<b>\$525</b>	<b>\$10</b>	<b>\$1,822</b>	<b>\$60</b>	<b>\$2,417</b>		<b>\$75</b>	<b>\$5</b>